

Message Text

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ACTION EA-14

INFO OCT-01 ISO-00 AGR-20 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12

SP-03 CIEP-02 LAB-06 SIL-01 OMB-01 SS-20 NSC-07

NSCE-00 SSO-00 DODE-00 PA-04 USIA-15 PRS-01 USIE-00

INRE-00 DRC-01 /159 W

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O R 100854Z APR 74

FM AMCONSUL HONG KONG

TO SECSTATE WASHDC IMMEDIATE 310

INFO USLO PEKING

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E.O. 11652: N/A

TAGS: PFOR EAGR OVIP HK CH

SUBJ: SECRETARY BUTZ' COMMENTS ON PRC

REF: STATE 71689

SUMMARY. SECRETARY'S REMARKS WERE MADE IN SPEECH TO AMERICAN CHAMBER OF COMMERCE, ATTENDED BY PRESS, AND IN SUBSEQUENT PRESS CONFERENCE, BOTH SHORTLY BEFORE APRIL 8 DEPARTURE FROM HONG KONG. TWO HONG KONG ENGLISH DALIES GAVE BRIEF BUT PROMINENT PLAY TO REMARKS ON PRC "VISIT". TONE OF TREATMENT WAS LOW-KEY. UPI STORY CIRCULATED HERE PICKED UP SECRETARY'S QUOTE BUT PLACED NO SPECIAL EMPHASIS ON IT ALTHOUGH UPI CITED "CULTURAL REVOLUTION" AS ONE REASON FOR NOT TRAVELLING. STORY SEEMS TO HAVE DIED LOCALLY AND AMERICAN CORRESPONDENTS HAVE NOT RAISED IT WITH CONGENOFFS. FULL TEXTS REQUESTED WILL BE FILED TO USINFO. END SUMMARY.

1. IN HIS SPEECH TO AMERICAN CHAMBER WHICH WAS EXCEEDINGLY WELL RECEIVED AND WAS ATTENDED BY MEMBERS OF BOTH HK AND FOREIGN
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PRESS CORPS, THE SECRETARY PLACED U.S. -CHINA AGRICULTURAL TRADE

IN THE CONTEXT OF WORLD AND REGIONAL SALES. NOTING THAT AIS WAS AMERICA'S NUMBER ONE AGRICULTURAL CUSTOMER AND THAT U. S. AGRICULTURAL EXPOETS WOULD TOP TWENTY BILLION US DOLLARS, HE SAID " THIS YEAR, IN FISCAL 1974, WE'RE GOING TO HAVE AGRICULTURAL SALES TO THE PEOPLE'S REPUBLIC OF CHINA IN THE MAGNITUDE OF 1.2 BILLION DOLLARS. WITH ALL THE DIFFICULTIES INVOLVED IN TRADE, WE'LL HAVE THAT VOLUME".

2. BUTZ SAID THAT " THE NEW DETENTE WITH CHINA AND THE USSR IS NOT BECAUSE THEY LOVE US BUT BECAUSE THEY NEED US. THEY NEED US BECAUSE WE HAVE SOMETHING THEY NEED. LAST YEAR'S TRADE STATISTICS HAVE CERTAINLY BORNE THAT OUT".

3. IN THE Q AND A THAT FOLLOWED THE SPEECH, JOURNAL OF COMMERCE STRINGER PAUL STAUSS ASKED THE SECRETARY WHY CHINA ENT IN FOR BIG AGRICULTURAL TRADE WITH THE U.S. HE REPLIED THAT "CHIN'S MARKET IS IMMENSE AND BEYOND HER CAPCITY TO PRODUCE". BUTZ CAREFULLY SIDESTEPED FURTHER COMMENT ON CHINA AND SAID THAT "SOCIALIST COUNTRIES" , SPECIFICALLY THE USSR, SHOWED THAT THEY COULD BUY AMERICAN FARM TECHNOLOGY, BUT THAT SOMEHOW THEY WERE UNABLE TO GET THE EXPECTED RESULTS. THE REASON WAS THAT THE MISSED THE "INVISIBLE CEMENT" THAT MADE AMERICAN AGRICULTURE SO PRODUCTIVE; THE FAMILY FARM OPERATING IN A PROFIT-MOTIVATE, FREE MARKET SYSTEM.

4. SET FORTH BELOW ARE VERBATIM EXCHANGES ON BUTZ "VISIT" TO CHINA AT THE PRESS CONFERENCE: UPI'S TRACEY WOOD LED OFF THE QUESTIONING, OBVIOUSLY SEEKING BASIS FOR INTERPRETATION THAT BUTZ "TRIP TO CHINA" DID NOT TAKE PLACE BECAUSE OF PROBLEMS IN CHINA. AS TEXT SHOWS, THE SECRETARY DID NOT MAKE ANY REFERENCE TO THE STATE DEPT OR ITS BELIEFS, NOR DID HE USE THE PHARSE "CULTURAL REVOLUTION".

QUOTE (INAUDIBLE QUESTION).

ANSWER: WELL, THE QUESTION IS WHY DIDN'T I GO TO CHINA ON THIS TRIP. WE THOUGH ABOUT IT. THER IS A PRACTICAL REASON, AS YOU WELL KNOW. CHINA IS IN THE MIDDLE OFA REVISION OF THEIR PHILOSOPHY. TRAVEL AND COMMUNICATIONS ARE A BIT DIFFICULT. AT SOME LATER DATE IT HOPE TO VISIT THE PEOPLE'S REPUBLIC OF CHINA BECAUSE WE PRIZE THEM AS A CUSTOMER.

QUESTION: MR. SECREARY, DID YOU MAKE AN OVERTURE TO THE LIMITED OFFICIAL USE

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CHINESE TO GO TO CHINA DURING THIS TRIP?

ANSWER: NOT DIRECTLY

QUESTION. CAN I JUST CLARIFY--- YOU SAID THAT YOU DID NOT DIRECTLY MAKE AN OVERTURE TO CHINA TO GO THIS TIME. WERE INDRIECT OVERTURES MADE? I QOULD ASSUME THAT AND WERE YOU ADVISED THROUGH THESE INDIRECT OVERTURES THAT YOU MIGHT POSSIBLY NOT BE WANTED.

ANSWER: WELL, AS I SAID, WE WOULD LIKE-- AT SOME POINT I WOULD LIKE TO VISIT THE PEOPLE'S REPUBLIC TO CHINA. THIS JUST

DIDN'T SEEM TO BE AN APPROPRIATE TIME TO DO IT.

QUESTION: ACCORDING TO THE CHINESE, OR ACCORDING TO YOU? A
U.S. DECISION NOT TO GO?

ANSWER: YES. THAT'S CORRECT.

QUESTION (INAUDIBLE).

ANSWER: WELL, FOR THE PRIMARY REASON THAT TRAVEL HAS BEEN
RESTRICTED . THERE ARE CONSTRAINTS ON TRAVEL.

QUESTION: DOES IT HAVE ANYTHING TO DO WITH DISCUSSIONS BETWEEN
CHINA AND THE U.S. NOW ABOUT THE QUALITY OF THE WHEAT THAT HAS GONE..

ANSWER: NO, MA'AM. NO, MA'AM, THIS OCCUREED BEFORE THIS CAME
UP. OUR TRIP WAS OUTLINED WELL AHEAD F THAT.

QUESTION: IS THERE A POSSIBLE COOLING THEN OF RELATIONS WITH CHINA?

ANSWER: NO, I DON'T THINK SO. I THINK, AS NEARLY AS WE CAN TELL,
THE CINESE DON'T HAVE TKC, THAT PARTICULAR SMUT IN CHINA, AND
THEY'RE QUITE ANXIOUS THAT IT NOT BE INTRODUCED. AS NEAR AS WE
CAN TELL, THIS A VERY VALID POSITION ON THEIR PART. AND
I MAY SAY THAT THIS IS NOT PRESENT IN THE VAST MAJORITY OF U.S.
WHEAT. IT IS JUST IN THAT WHEAT THAT COMES FROM THE NORTHWESTERN
PART OF THE U.S. UNQUOTE.

5. MEDIA COVERAGE IN HONG KONG WAS POSITIVE, ALTHOUGH SOUTH CHINA
MORNING POST RAN SHORT ARTICLE HEADED " CAUTION OVER NEW DETENTE"
ON FRONT-PAGE. A FEW KMT - INCLINED DAILIES CITED "COMMUNICATION
PROBLEMS" AND "CULTURAL REVOLUTION" AS REASONS FOR NON-
VISIT TO PRC AT THIS TIME. SOUTH CHINA MORNING POST ALSO GAVE
PROMINENT INSIDE PLAY TO MAIN THEME "RACE BETWEEN FOOD AND
POPULATION" . LEFT-WING PRESS HAS NOR REPEAT NOT COVERED
BUTZ' REMARKS.

6. THE VISIT STORY HAS NOT REAPPEARED IN THE LOCAL PRESS LOCALLY
AND HK-BASED CORRESPONDENTS HAVE SO FAR SHOWN NO SUBSEQUENT
INTEREST IN IT. SHOULD IT BECOME RESURRECTED, WE WILL INFORM DEPT.

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7. TEXTS REQUESTED WILL BE FILED VIA USINFO, INFO DEPT FOR
EA/P PER REQUEST IN USINFO 091901Z.

8. KMT LINE PARA 5 MAY BE PICKED UP IN TAIPEI. DEPT MAY WISH
PROVIDE PRESS GUIDANCE TO SECRETARY BUTZ WHOSE ETA TAIPEI IS
APRIL 11 AT 1250 HOURS TAIPEI TIME.
CROSS

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Message Attributes

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